

**§ 116-40.22. Management flexibility.**

(a) Definition. – For purposes of this section, the term "institution" means a special responsibility constituent institution that is granted management flexibility by the Board of Governors in compliance with this Part.

(b) Appoint and Fix Compensation of Senior Personnel. – Notwithstanding any provision in Chapter 116 of the General Statutes to the contrary, the Board of Trustees of an institution shall, on recommendation of the Chancellor, appoint and fix the compensation of all vice-chancellors, senior academic and administrative officers, and any person having permanent tenure at that institution. No later than January 1, 2002, the Board of Governors shall adopt policies, compensation structures, and pay ranges concerning the appointment and compensation of senior personnel appointed by the Board of Trustees pursuant to this section. Compensation for senior personnel fixed by the Board of Trustees pursuant to this section shall be consistent with the compensation structure, policies, and pay ranges set by the Board of Governors.

(c) Tuition and Fees. – Notwithstanding any provision in Chapter 116 of the General Statutes to the contrary, in addition to any tuition and fees set by the Board of Governors pursuant to G.S. 116-11(7), the Board of Trustees of the institution may recommend to the Board of Governors tuition and fees for program-specific and institution-specific needs at that institution without regard to whether an emergency situation exists and not inconsistent with the actions of the General Assembly. Any tuition and fees set pursuant to this subsection are appropriated for use by the institution. Notwithstanding this subsection, neither the Board of Governors of The University of North Carolina nor its Board of Trustees shall impose any tuition or mandatory fee at the North Carolina School of Science and Mathematics without the approval of the General Assembly, except as provided in subsection (f) of this section.

(d) Information Technology. – Notwithstanding any other provision of law, the Board of Trustees of an institution shall establish policies and rules governing the planning, acquisition, implementation, and delivery of information technology and telecommunications at the institution. These policies and rules shall provide for security and encryption standards; software standards; hardware standards; acquisition of information technology consulting and contract services; disaster recovery standards; and standards for desktop and server computing, telecommunications, networking, video services, personal digital assistants, and other wireless technologies; and other information technology matters that are necessary and appropriate to fulfill the teaching, educational, research, extension, and service missions of the institution. The Board of Trustees shall submit all initial policies and rules adopted pursuant to this subsection to the Department of Information Technology for review upon adoption by the Board of Trustees. Any subsequent changes to these policies and rules adopted by the Board of Trustees shall be submitted to the Department of Information Technology for review. Any comments by the Department of Information Technology shall be submitted to the Chancellor of that institution.

(e) Electronic Commerce. – The University is authorized to contract with service providers specializing in services offered to institutions of higher learning that offer systems or services under arrangements that provide for the receipt of funds electronically, provided the services are in compliance with the requirements of the payment industry security standards. For any funds collected and remitted to the University that are on deposit with the State Treasurer pursuant to G.S. 147-77, the funds shall be subject to the daily deposit requirements of the statute; provided that the State Treasurer may exempt the applicability of the daily deposit requirement for any standard business process resulting in a delay in the University receiving the funds from a service provider, when the exemption is based upon an acceptable business case that demonstrates an overall efficiency to the University and State. Such business case must first be endorsed by The University of North Carolina System Office before submission to the State Treasurer for consideration.

(f) The Board of Governors of The University of North Carolina may approve, upon the recommendation of the Board of Trustees of the North Carolina School of Science and Mathematics, the imposition of fees not inconsistent with actions of the General Assembly for distance education services provided by the North Carolina School of Science and Mathematics to nonresidents and for students participating in extracurricular enrichment programs sponsored by the School. (2001-424, s. 31.11(a); 2006-66, s. 9.11(h); 2006-203, s. 4.1; 2013-360, s. 11.7(a); 2013-375, s. 2; 2015-241, s. 7A.4(j); 2018-12, s. 5.)